

NOTICE

The following is a brief summary of significant changes in the Condominium Act which became effective on July 1, 2007.

§ 55-79.73:1 – Amendment to condominium instruments; consent of mortgagee

Contains technical amendments fixing nomenclature.

§ 55-79.74:01 – Deposit of funds

Requires any managing agent of a unit owners' association to keep funds deposited with the managing agent in fiduciary trust accounts in a federally insured financial institution, and to keep such funds segregated from other assets of the managing agent.

§ 55-79.75 – Meetings of unit owners' associations and executive organ

Authorizes notice of association meetings to be sent either by United States mail to all unit owners of record at the address of their respective units or to such other addresses as any of them may have designated to such officer or his agent, in addition to the option of hand delivery of such notices.

§ 55-79.75:2 – Flag display; necessary supporting structures; affirmative defense

Provides that no unit owner's association shall restrict or prohibit the display by a unit owner of the flag of the United States unless specifically prohibited by the association's condominium instruments or in the resale certificate. An association may, however, restrict the display of such flag in the common areas and may establish reasonable restrictions as to the size, place, and manner of placement or display.

§ 55-79.81 – Insurance

Requires the unit owners' association to obtain a blanket fidelity bond or employee dishonesty insurance policy in a minimum amount of \$10,000.

§ 55-79.87 – Exemptions from certain provisions of article

Eliminates the requirement for escrowing deposits in the context of disposition of a unit in a commercial condominium.

§ 55-79.90 – Public offering statement; condominium securities

Requires the public offering statement to include language regarding any restrictions, limitation, or prohibition on the right of the unit owner to display the flag of the United States and any restrictions as to the size, place, and manner of placement or display.

§ 55-79.94 – Conversion condominiums; special provisions

Allows any tenant who is disabled or elderly to assign the exclusive right to purchase his unit to a government agency, housing authority, or certified nonprofit housing corporation, which shall then offer the tenant a lease at an affordable rent, in the case of a conversion condominium.

Units acquired by a governmental agency, housing authority, or certified nonprofit housing corporation shall not (i) exceed the greater of one unit or five percent of the total number of units in the condominium or (ii) impede the condominium conversion process. “Affordable rent” and “Certified nonprofit housing corporation” are defined.

§ 55-79.95 – Escrow of deposits

Authorizes the filing of a surety bond or letter of credit by the declarant of a condominium project with more than 50 units with the Real Estate Board in lieu of escrowing deposits. The amount of surety bonds or letters of credit is set forth in the section.

§ 55-79.97 – Resale by purchaser

Requires the resale certificate to include language regarding any restrictions, limitation, or prohibition on the right of the unit owner to display the flag of the United States and any restrictions as to the size, place, and manner of placement or display.

Allows an association to deliver the resale certificate by electronic means unless the purchaser or seller requests a paper copy.

Allows unit owners' associations to collect a fee, not to exceed \$325, for preparation of a resale certificate if the fee is established in the contract between the association and its managing agent and the fee is disclosed on the website of either the association or the managing agent. This section requires the prompt payment of the preparation fee to the managing agent who furnishes the resale certificate.